Losing Money to Become a Tycoon: Starting with Games

Chapter 446: How Should We Spend This 20 Million?

March 9th, Wednesday.

The OTTO E1 phone went on sale for the second time!

Pei Qian made a special trip to OTTO Technology's office to personally oversee the situation.

The sale started at 10 AM, and he arrived at 9:30 to get there early.

After careful consideration, he decided to propose a suggestion to Chang You.

"Mr. Chang, I think starting today, we should introduce a deposit-based pre-order system. A 100-yuan deposit—customers pay a deposit first, and we produce according to the number of deposits."

Chang You looked troubled. "President Pei, I understand this approach."

"Many phone manufacturers do this when supply is limited. But we don't have that much capital right now. What if customers place orders for ten thousand units? We wouldn't have enough funds…"

Pei Qian waved his hand. "It's fine. If funds are insufficient, just come to me. We can use some of Tengda Group's funds for turnover—it's all within the same company anyway."

"In any case, we must ensure supply so that every Tengda Group fan can get their hands on our phone!"

Pei Qian spoke righteously, which deeply moved Chang You.

However… Pei Qian had something entirely different in mind.

He proposed the pre-order system for three main reasons.

First, to further discourage scalpers by increasing the cost of bulk buying, filtering out those who intended to resell the phones, and ensuring the phones actually reached people who needed them.

Second, to roughly gauge how many people still had the desire to purchase the phone.

If, for example, there were 5,000 interested buyers, Pei Qian could produce 8,000 units—leaving 3,000 unsold in inventory. Wouldn't that be a perfect way to spend money?

Lastly, based on current online opinions and feedback, Pei Qian judged that there might not be that many people willing to pre-order the phone.

After all, the phone was quite expensive—more costly than flagship models from Shenhua and Pineapple. While the included perks seemed attractive, most of them could only be enjoyed locally in Jingzhou. Most people were still in a wait-and-see mode.

The first few thousand buyers were likely Tengda Group fans living in Jingzhou. Pei Qian believed that once their demand was satisfied, sales would drop sharply.

As for whether his judgment was accurate…

That would depend on today's performance.

Chang You had already instructed his team to implement the pre-order function.

At exactly 10 AM, Pei Qian immediately took out his phone to monitor the sales.

The scenario he had imagined—refresh once and it’s in stock, refresh again and it’s sold out—did not occur. The remaining inventory dropped quickly at first, but then the pace slowed down.

By now, many scalpers had given up on flipping this phone. Since purchases were tied to Tengda Group game accounts and ID verification, reselling at a higher price meant the buyer couldn’t enjoy the special VIP benefits, making scalping pointless.

Of course, some scalpers might still attempt tricks like proxy ordering or assisted purchasing, but compared to an unrestricted situation, things had improved significantly.

After one hour, 1,100 units remained.

Pei Qian simply stayed and had lunch at OTTO Technology. The remaining phones continued to sell gradually, finally selling out around 2 PM.

When the “Sold Out” label appeared, both Chang You and Pei Qian wiped the sweat from their foreheads at the same time.

Chang You wiped his sweat because—finally, everything was sold!

With President Pei supervising today, if even 2,000 units hadn’t sold out, it would’ve been an embarrassment. How would he explain that?

Pei Qian, on the other hand, wiped his sweat because—thankfully, it took until after 2 PM!

If it had sold out instantly again, that would've been a disaster.

Pei Qian felt a bit more at ease.

This proved that his judgment was correct. Although the phone currently had strong hype, quite a few people still weren't convinced.

Even among consumers in Jingzhou, most people wouldn't jump in so early due to the slow spread of information and their lack of trust in a new brand.

So next, it would depend on how many people placed orders by Sunday.

As long as the number was close to Pei Qian's expectations, he could decisively ramp up production, spend aggressively, and lock in losses before the settlement!

…

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March 10th, Thursday.

Noon.

Pei Qian took out his phone and checked the reservation status of the OTTO E1.

Yesterday, the programmers at OTTO Technology had worked overtime to implement the reservation feature on the website. Of course, Chang You had paid generous overtime wages.

So far, more than 1,800 people had reserved the phone. While the number was still increasing, the growth had clearly slowed.

Meanwhile, Sunday's stock would be 4,000 units.

Pei Qian calculated that from now until Sunday, surpassing 4,000 reservations was basically guaranteed—but exceeding 5,000 seemed unlikely.

In other words, as long as they produced more than 5,000 units, the excess phones would just sit in the warehouse.

And if they took the money earned from sold units and used it to produce even more phones, piling them all up in storage…

Wouldn't that effectively drain all the extra funds at OTTO Technology?

Sounded pretty good.

Now all that was left was to hope everything went smoothly…

Just as Pei Qian was thinking this through, his phone vibrated.

He picked it up—it was a call from He Desheng.

Pei Qian's brows immediately furrowed.

What now?! Could something have gone wrong with the Top Student, Come Quickly app?

That shouldn't be possible—it had only just been bought back. Even if something were to go wrong, it shouldn't happen this quickly!

He quickly answered.

“What’s wrong with the Top Student, Come Quickly project?” Pei Qian asked, as if facing a major threat.

He Desheng was momentarily stunned. “Uh, President Pei, nothing’s wrong with that project. It’s Zhang Wang—he has something to report to you and has come to Dream Fulfillment Ventures. When would you be available to meet him? Or if you’re too busy, a phone call would work.”

Pei Qian frowned.

Zhang Wang?

Wasn’t he the “shared-everything fanatic” and “grassroots inventor” behind the Shared Phone Booth?

Just hearing the name made Pei Qian irritated.

He still had the nerve to come see me?!

Back then, he was given funding to develop the Shared Phone Booth project—but what did he end up making?

Sure, if you insisted that having a phone inside made it a “phone booth,” there was some logic to it—but it made way too much money!

After being “betrayed” by Zhang Wang and Ruan Guangjian, Pei Qian had completely lost confidence in both Zhang Wang and the Shared Phone Booth project. He had basically left it to fend for itself.

Pei Qian had only instructed Zhang Wang to reinvest the profits into producing more booths, and then stopped paying attention.

With all the chaos from the movie project earlier, he hadn’t even checked how the phone booths were doing lately.

Pei Qian steadied his emotions and asked, “Is he with you right now?”

He Desheng replied, “Yes, President Pei.”

“Alright, let him take the call. I want to ask him about the Shared Phone Booth,” Pei Qian said.

“Understood.”

A moment later, Zhang Wang’s voice came through the phone, sounding quite excited. “President Pei!”

Hearing his voice, Pei Qian couldn’t help but sigh inwardly.

He had seemed like such a reliable person, and the project had looked so promising—how did it end up making money?

What a pity!

“Mm, what is it?” Pei Qian asked.

Zhang Wang said, “President Pei, from now on, my main focus won’t be on the Shared Phone Booth project anymore! That project will just maintain basic operations and be left to develop on its own.”

Hearing this, Pei Qian’s eyes lit up.

“Hm? What’s the matter—poor business performance?”

There was a hint of excitement in his tone.

Zhang Wang chuckled honestly. “Not really. It’s just that Shared Phone Booths have already been set up across all the major malls in Jingzhou. Setting them up elsewhere wouldn’t be profitable, and the business here has basically hit a ceiling. So I’m planning to take a break for now and explore some other interests.”

Hearing this, Pei Qian became even more energized.

Good! Taking a break is good—a wise choice!

As expected, my earlier judgment was correct!

Shared Phone Booths could only make money in high-traffic areas like large shopping malls. And Jingzhou only had so many malls—once each one had one or two booths, the market quickly became saturated.

Once saturated, and as people gradually lost interest in the entertainment features inside the booths, the business in Jingzhou had essentially reached its limit.

Of course, Pei Qian really wanted to ask why Zhang Wang didn’t expand the business to places like Lüzhou, Lin City, or even major cities like the capital and Shanghai. Wasn’t there still market potential there?

But he firmly held himself back.

In any case, Zhang Wang stopping at the right time was something to celebrate!

Pei Qian nodded in satisfaction. “Mm, not bad.”

Zhang Wang then asked, “President Pei, if I have other dreams I want to pursue in the future, could I still come to you for investment?”

Pei Qian: “…”

“You can, but I’ll carefully evaluate the project.”

Pei Qian had originally wanted to refuse outright, but it felt a bit impolite, so he gave a polite response instead.

Of course, considering Zhang Wang’s “impressive track record,” Pei Qian felt he would never invest in his projects again.

—Unless it was some god-tier project that looked absolutely guaranteed to lose everything. Only then might he consider it, just a little.

“Alright then, I won’t disturb your work anymore. Goodbye, President Pei!”

Zhang Wang handed the phone back to He Desheng.

“No other matters, right?” Pei Qian asked.

He Desheng replied, “Nothing else, President Pei. However… there’s something I need to remind you—how should we spend the 20 million on our account? Have you decided?”

Pei Qian recalled that he had indeed told He Desheng earlier to remind him from time to time about the money in Dream Fulfillment Ventures’ account.

This sum absolutely couldn’t be forgotten—if it was still unspent by the time of settlement, it would be a serious problem.

Where should this 20 million be spent…

Hm?

Twenty million???

Pei Qian suddenly realized that something about this number didn't seem right!

Dream Fulfillment Ventures had spent 5 million to acquire the Top Student, Come Quickly project. Logically, there should be less than 10 million left on the books.

So where did 20 million come from?

"Wait a second—where did this 20 million come from?" Pei Qian instantly sensed something was off.

He Desheng replied matter-of-factly, "From the Shared Phone Booth project."

A question mark practically appeared above Pei Qian's head.

What?

Wasn't it already said that the Shared Phone Booth business in Jingzhou had reached its limit?

Didn't Zhang Wang himself say he was stepping back from the project to take a break?

How could it possibly have made another 10 million in such a short time???

Completely baffled, Pei Qian forced himself to stay calm. “You’re saying the Shared Phone Booth business in Jingzhou alone made 10 million???”

He Desheng smiled. “Ah, President Pei, you didn’t know?”

“Of course, the Jingzhou business alone couldn’t make that much. Just like you said, each booth doesn’t earn much per day, and the initial investment is quite high. Most of the profits were reinvested into producing more booths and expanding coverage, so there wasn’t much saved.”

“But after the Jingzhou market became saturated, Zhang Wang had already started thinking about future development. So he came up with another way to make money: franchising!”

“For other cities, we no longer manage the Shared Phone Booths ourselves. Instead, we contact major shopping malls online and show them our business model.”

“If these malls think Shared Phone Booths are profitable, we sell them the complete setup. They handle maintenance and upkeep, while we just provide the brand, earn money from selling the booths, and take a cut of the revenue.”

“With this approach, our costs are minimized. We don’t need to hire dedicated maintenance staff, and we don’t have to worry about whether the booths are profitable. We just sit back, sell booths, and collect a share. So far, this model is guaranteed to make money!”

“So now, the project only needs a few people to handle maintenance—processing orders and keeping the company running. Naturally, Zhang Wang doesn’t need to spend much effort on it anymore.”

“And thanks to selling the booths, we’ve made another 10 million, which was handed over immediately.”

“So, President Pei, how should we spend this 20 million?”

“President Pei?”

“President Pei?”